

## **PSC EXPANDS LOCAL CALLING AREA**

Jefferson City (August 20, 1998)---The Missouri Public Service Commission has approved the merger of the Bourbeuse Telephone Company with the Fidelity Telephone Company (Fidelity being the surviving corporation) which will result in an expanded local calling area for customers of those two telephone companies.

As part of the merger and a PSC Staff investigation into the earnings of the two telephone companies, **all calls between the exchanges of the two telephone companies will be toll-free or local telephone calls. Currently, calls placed between the exchanges of the two telephone companies are long-distance or toll calls. The Commission's decision expands the local calling area for these two companies and its customers.**

As part of the agreement approved by the Commission, the telephone revenues of the two companies will decrease by approximately \$800,000 a year. In addition, the agreement will result in the elimination of the charges for touch-tone service (residential customers pay 25 cents per line a month for touch-tone; business customers pay 50 cents per line a month). Rates for 10 vertical services, such as call waiting and caller ID, will be reduced as will rates for E911 trunks. Educational institutions will receive a 50 percent discount and the telephone companies will upgrade their system by replacing analog equipment with digital equipment at a cost of \$275,000.

In addition, the merger will result in the basic local telephone rates of Bourbeuse Telephone Company customers matching those of the Fidelity Telephone Company. This will increase the basic local telephone rates for residential and business customers of the Bourbeuse Telephone Company. Basic local telephone rates for residential customers of the Bourbeuse Telephone Company will increase to \$7.55 a month while business rates will increase to \$14.25 a month. Current rates for residential and business customers of the Bourbeuse Telephone Company vary, depending upon whether they live inside or outside the city.

(More)

The Commission stated in its decision approving the agreement: “Increases in basic local service costs to Bourbeuse’s customers will be more than offset by these advantages and by other rate reductions, particularly intraLATA toll reductions, and by the improvement in service attendant upon the installation of digital equipment.”

The Fidelity Telephone Company serves approximately 12,800 telephone customers in 8 exchanges in the Missouri counties of Warren, Franklin and Gasconade. The Bourbeuse Telephone Company serves approximately 2,000 telephone customers in one exchange in the Missouri counties of Franklin and Gasconade.

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Case Nos. TR-98-344 & TM-98-444